Why the $5.7 Billion Dollar Fine on Big Banks for Manipulating Global Currency and Interest Rates Is a Joke

By Carey Wedler

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On Wednesday, the Justice Department announced that 5 major banks will be fined a total of about $5.7 billion. The banks plead guilty to manipulating global currency and interest rates as far back as 2007. Citigroup, JPMorgan Chase, Barclays the Royal Bank of Scotland, and Swiss bank, UBS, will pay fines that symbolize the government's desire to reign in the power of the financial elite.

The *New York Times* painted the fines as a win because while banks have entered guilty pleas before, they have always been from subsidiaries of the parent companies. This time, the parent companies themselves plead guilty.

While symbolically, the move appears to reprimand evil bankers, the reality is that such fines are miniscule compared to the profits banks reap. $5.7 billion dollars is nothing compared to the $40.24 billion net income that banks earned in the second quarter of 2014 *alone*. It was the second highest profit total in the last 23 years, surpassed only by 2013. Further, the fines are nothing compared to the trillions of dollars in bailouts that banks received at the outset of the financial crisis.

What is more unsettling about today's DOJ *tap* on the wrist is that while major banks must pay $5.7 billion, in the first quarter of 2015, customers were charged $2.5 billion in overdraft fees. Three major banks (JPMorgan Chase, Wells Fargo, and Bank of America) took $1.1 billion of this total. Some 600 others raked in the rest. Still, the "earnings" made up only 6% of bank profits for the major three involved. Overdraft fees for a single year could easily cover the $5.7 billion charged to the banks today. This discredits the alleged effectiveness of fining financial institutions for these transgressions.

Though it is predictable that a government bought and paid for by bankers refuses to seriously address the stranglehold of their power over the economy and government, it is outrageous that the DOJ is attempting to portray such meager fines as a win for the people.

Attorney General, Loretta Lynch, touted her "success":

> "Today's historic resolutions are the latest in our ongoing efforts to investigate and prosecute financial crimes, and they serve as a stark reminder that this Department of Justice intends to vigorously prosecute all those who tilt the economic system in their favor; who subvert our marketplaces; and who enrich themselves at the expense of American consumers."

Over and over, the state fines banks hundreds of millions if not billions of dollars for transgressions and policies that hurt a majority of citizens. Over and over, banks *still* commit crimes, proving fines are not a deterrent. Banks *still* enjoy record profits and the transfer of wealth from poor to rich continues to destroy the economy. The banking lobby influences the regulations written for their industry. The fines they pay amount to a meager cut of profit for the government that enables them.

As the vice president of Barclays bank said in 2010 of the crimes the bank had just plead guilty to, *"If you ain't cheating, you ain't trying."*

Today's illusory victory only validates the criminal bankers' policies.

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Articles by: **Carey Wedler**

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